



Elizabeth O'Donnell, Executive Director
Public Service Commission of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40601

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

December 28, 2007

RECEIVED

DEC 28 2007

PUBLIC SERVICE
COMMISSION

Robert M. Conroy
Manager - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@eon-us.com

Re: Louisville Gas and Electric Company -
Gas Supply Clause Effective February 1, 2008

Case No 2007-00559

Dear Ms. O'Donnell:

Pursuant to the provisions of the Company's Gas Supply Clause as authorized by the Commission, we file herewith an original and four copies of the Fifteenth Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 85.082 cents per 100 cubic feet applicable to all gas sold during the period of February 1, 2008 through April 30, 2008. In addition, we file herewith a corresponding number of copies of "Supporting Calculations for the Gas Supply Clause."

Also enclosed herewith is a summary of our gas service rates effective for the period of February 1, 2008 through April 30, 2008.

Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 of 6 and 6 of 6.

This filing represents expected gas costs for the three-month period February 1, 2008 through April 30, 2008. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on November 1, 2007. These adjustment levels will remain in effect from February 1, 2008 through April 30, 2008.

Elizabeth O'Donnell, Executive Director
Public Service Commission of Kentucky
June 29, 2007

In preparation of this quarter's filing, an error was discovered in the Case No. 2007-00141 Gas Cost Actual Adjustment ("GCAA") factor. A detailed explanation and remedy are presented in the "Exhibit B" write up to this filing.

We respectfully request your acceptance of this filing which we believe is in full compliance with the provisions of the LG&E Gas Supply Clause approved by the Kentucky Public Service Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Conroy". The signature is written in a cursive style with a large, prominent "C" at the end. A horizontal line is drawn underneath the signature.

Robert M. Conroy

Louisville Gas and Electric Company

Sixteenth Revision of Original Sheet No. 70
P.S.C. of Ky. Gas No. 6

STANDARD RATE SCHEDULE	GSC	
Gas Supply Clause		
APPLICATION TO		
All gas sold.		
 GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	82.054 ¢	R
Gas Cost Actual Adjustment (GCAA)	2.465	R
Gas Cost Balance Adjustment (GCBA)	(0.221)	I
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
Refund Factor Effective August 1, 2006	0.000	
Performance-Base Rate Recovery Component (PBRRC)	<u>0.784</u>	R
 Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	 85.082 ¢	 R

Date of Issue: December 28, 2007
Canceling Fifteenth Revision of
Original Sheet No. 70
Issued November 6, 2007

Issued By

Date Effective: February 1, 2008

Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued By Authority of an Order of the K.P.S.C. in Case No. 2008-00XXX dated _____

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2008-00XXX

For the Period

February 1, 2008 through April 30, 2008

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to
Service Rendered On and After February 1, 2008

2008-00XXX

Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	91,831,588
Total Expected Customer Deliveries: February 1, 2008 through April 30, 2008	Mcf	11,191,562
Gas Supply Cost Per Mcf	\$/Mcf	8.2054
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	82.054

Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail

Description	Unit	Amount
Current Quarter Actual Adjustment Eff. February 1, 2008 (Case No. 2007-00267)	¢/Ccf	(1.502)
Previous Quarter Actual Adjustment Eff. November 1, 2007 (Case No. 2007-00141)	¢/Ccf	(1.141)
2nd Previous Qrt. Actual Adjustment Eff. August 1, 2007 (Case No. 2007-00001)	¢/Ccf	3.909
3rd Previous Qrt. Actual Adjustment Eff. May 1, 2007 (Case No. 2006-00431)	¢/Ccf	1.199
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	2.465

Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail

Description	Unit	Amount
Balance Adjustment Amount	\$	247,741
Total Expected Customer Deliveries: February 1, 2008 through April 30, 2008	Mcf	11,191,562
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	(0.0221)
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	(0.221)

Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Refund Factor Effective:	¢/Ccf	0.000
Total Refund Factors Per 100 Cubic Feet	¢/Ccf	0.000

Performance-Based Rate Recovery Component (PBRRC) - See Exhibit E for Detail

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.784
Total of PBRRC Factors Per 100 Cubic Feet	¢/Ccf	0.784

Gas Supply Cost Component (GSCC) Effective February 1, 2008 through April 30, 2008

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	82.054
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	2.465
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	(0.221)
Refund Factors (RF)	¢/Ccf	0.000
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.784
Total Gas Supply Cost Component (GSCC)	¢/Ccf	85.082

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For The Three-Month Period From February 1, 2008 through April 30, 2008

MMBtu	Total			
	February	March	April	Feb'08 thru Apr'08
1. Expected Gas Supply Transported Under Texas' No-Notice Service	590,672	987,386	1,432,776	3,010,834
2. Expected Gas Supply Transported Under Texas' Rate FT	0	0	840,000	840,000
3. Expected Gas Supply Transported Under Tenn 's Rate FT-A (Zone 0)	1,160,000	983,000	0	2,143,000
4. Expected Gas Supply Transported Under Tenn 's Rate FT-A (Zone 1)	0	0	0	0
5. Total MMBtu Purchased	1,750,672	1,970,386	2,272,776	5,993,834
6. Plus: Withdrawals from Texas Gas' NNS Storage Service	892,852	27,683	0	920,535
7. Less: Injections into Texas Gas' NNS Storage Service	0	0	911,250	911,250
8. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,643,524	1,998,069	1,361,526	6,003,119
Mcf				
9. Total Purchases in Mcf	1,707,973	1,922,328	2,217,342	
10. Plus: Withdrawals from Texas Gas' NNS Storage Service	871,075	27,008	0	
11. Less: Injections Texas Gas' NNS Storage Service	0	0	889,024	
12. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,579,048	1,949,336	1,328,318	
13. Plus: Customer Transportation Volumes under Rate TS	22,128	19,409	14,056	
14. Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 12 + Line 13)	2,601,176	1,968,745	1,342,374	
15. Less: Purchases for Depts. Other Than Gas Dept.	67,512	76,143	102,455	
16. Less: Purchases Injected into LG&E's Underground Storage	0	0	0	
17. Mcf Purchases Expensed during Month (Line 12 - Line 15 - Line 16)	2,511,536	1,873,193	1,225,863	5,610,592
18. LG&E's Storage Inventory - Beginning of Month	8,544,501	5,564,501	3,174,501	
19. Plus: Storage Injections into LG&E's Underground Storage (Line 16)	0	0	0	
20. LG&E's Storage Inventory - Including Injections	8,544,501	5,564,501	3,174,501	
21. Less: Storage Withdrawals from LG&E's Underground Storage	2,949,825	2,363,530	778,366	6,091,721
22. Less: Storage Losses	30,175	26,470	21,634	78,279
23. LG&E's Storage Inventory - End of Month	5,564,501	3,174,501	2,374,501	
24. Mcf of Gas Supply Expensed during Month (Line 17 + Line 21 + Line 22)	5,491,536	4,263,193	2,025,863	11,780,592
Cost				
25. Total Demand Cost - Including Transportation (Line 14 x Line 46)	\$2,491,666	\$1,885,861	\$1,285,860	
26. Less: Demand Cost Recovered thru Rate TS (Line 13 x Line 46)	21,196	18,592	13,464	
27. Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$2,470,470	\$1,867,269	\$1,272,396	
28. Commodity Costs - Gas Supply Under NNS (Line 1 x Line 47)	4,401,097	7,398,385	10,634,063	
29. Commodity Costs - Gas Supply Under Rate FT (Line 2 x Line 48)	0	0	6,167,448	
30. Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 3 x Line 49)	8,178,464	6,972,026	0	
31. Commodity Costs - Gas Supply Under Rate FT-A Zone 1 (Line 4 x Line 50)	0	0	0	
32. Total Purchased Gas Cost	\$15,050,031	\$16,237,680	\$18,073,907	\$49,361,618
33. Plus: Withdrawals from NNS Storage (Line 6 x Line 47)	6,652,640	207,426	0	6,860,066
34. Less: Purchases Injected into NNS Storage (Line 7 x Line 47)	0	0	6,763,298	6,763,298
35. Total Cost of Gas Delivered to LG&E	\$21,702,671	\$16,445,106	\$11,310,609	\$49,458,386
36. Less: Purchases for Depts. Other Than Gas Dept. (Line 15 x Line 51)	568,113	642,365	872,404	2,082,882
37. Less: Purchases Injected into LG&E's Storage (Line 16 x Line 51)	0	0	0	0
38. Pipeline Deliveries Expensed During Month	\$21,134,558	\$15,802,741	\$10,438,205	\$47,375,504
39. LG&E's Storage Inventory - Beginning of Month	\$61,564,839	\$40,093,343	\$22,872,915	
40. Plus: LG&E Storage Injections (Line 37 above)	0	0	0	
41. LG&E's Storage Inventory - Including Injections	\$61,564,839	\$40,093,343	\$22,872,915	
42. Less: LG&E Storage Withdrawals (Line 21 x Line 52)	21,254,079	17,029,706	5,608,283	\$43,892,068
43. Less: LG&E Storage Losses (Line 22 x Line 52)	217,417	190,722	155,877	564,016
44. LG&E's Storage Inventory - End of Month	\$40,093,343	\$22,872,915	\$17,108,755	
45. Gas Supply Expenses (Line 38 + Line 42 + Line 43)	\$42,606,054	\$33,023,169	\$16,202,365	\$91,831,588
Unit Cost				
46. 12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.9579	\$0.9579	\$0.9579	
47. Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service	\$7.4510	\$7.4929	\$7.4220	
48. Commodity Cost (per MMBtu) under Texas Gas's Rate FT	\$7.2995	\$7.3406	\$7.3422	
49. Commodity Cost (per MMBtu) under Tenn Gas's Rate FT-A (Zone 0)	\$7.0504	\$7.0926	\$7.3943	
50. Commodity Cost (per MMBtu) under Tenn Gas's Rate FT-A (Zone 1)	\$7.5185	\$7.5603	\$7.5141	
51. Average Cost of Deliveries (Line 35 / Line 12)	\$8.4150	\$8.4363	\$8.5150	
52. Average Cost of Inventory - Including Injections (Line 41 / Line 20)	\$7.2052	\$7.2052	\$7.2052	
Gas Supply Cost				
53. Total Expected Mcf Deliveries (Sales) to Customers (February 1, 2008 through April 30, 2008)				11,191,562 Mcf
54. Current Gas Supply Cost (Line 45 / Line 53)				\$8.2054 / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation Of The Average Demand Cost Per Mcf Applicable To
For The Three-Month Period From February 1, 2008 through April 30, 2008

Demand Billings:

Texas Gas No-Notice Service (Rate NNS) Monthly Demand Charge	(	\$12.7446	x	119,913	MMBtu	) x 12	\$18,338,919
Texas Gas Firm Transportation (Rate FT) Monthly Demand Charge	(	\$6.6332	x	28,000	MMBtu	) x 12	2,228,755
Tenn. Gas Firm Transportation (Rate FT-A, 0-2) Monthly Demand Charge	(	\$6.4640	x	40,000	MMBtu	) x 12	3,102,720
Tenn. Gas Firm Transportation (Rate FT-A, 1-2) Monthly Demand Charge	(	\$6.4640	x	11,000	MMBtu	) x 12	853,248
Long-Term Firm Contracts with Suppliers (Annualized)							9,594,948

ANNUAL DEMAND COSTS

\$34,118,590

Expected Annual Deliveries from Pipeline Transporters
(Including Transportation Under Rate TS) - MMBtu 36,507,156

Expected Annual Deliveries from Pipeline Transporters
(Including Transportation Under Rate TS) - Mcf 35,616,738

AVERAGE DEMAND COST PER MCF

0.9579

Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rate TS
For The Three-Month Period From February 1, 2008 through April 30, 2008

Pipeline Supplier's Demand Component per Mcf	\$0.9579
Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	0.0000
Performance Based Rate Recovery Component (see Exhibit E)	<u>0.0099</u>
Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation	<u><u>0.9678</u></u>

Demand-Related Supply Costs Applicable to Daily Utilization Charge under
Rates FT and PS and for Reserved Balancing Service Under Rider RBS

Design Day Requirements (in Mcf)	442,031
<u>Reserved Balancing Service Charge (per Mcf Reserved):</u>	
Annual Charge -> (Annual Demand Costs / Design Day Requirements)	\$77.19
Monthly Charge -> (Annual Charge / 12 Months)	<u><u>\$6.43</u></u>
<u>Daily Utilization Charge (per Mcf of Non-Reserved Balancing):</u>	
(Annual Reserved Balancing Charge / 365 Days) - 100% Load Factor Rate	<u><u>\$0.2115</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2008-00XXX

Gas Supply Cost Effective February 1, 2008

LG&E is served by Texas Gas Transmission LLC (“TGT”) pursuant to the terms of transportation agreements under Rates NNS-4 and FT-4, and by Tennessee Gas Pipeline Company (“TGPL”) pursuant to the terms of a transportation agreement under Rate FT-A-2.

Texas Gas Transmission LLC

On December 14, 2007, (with subsequent errata filings on December 17 and December 18, 2007) TGT submitted tariff sheets to the Federal Energy Regulatory Commission (“FERC”) in Docket RP08-120 to remove the cash-out adjustment credit because the refund of earlier over-recoveries has been completed. All other rates otherwise applicable to LG&E remain unchanged from those submitted by TGT to FERC on August 8, 2007, in Docket No. RP07-566 reflecting the establishment of a new ACA Unit Charge of \$0.0019/MMBtu as determined by FERC and recoverable by TGT pursuant to the General Terms and Conditions of its FERC Gas Tariff. TGT’s other tariffed charges remain unaltered from the rates approved by FERC in Docket No. RP05-317.

Texas Gas’s No-Notice Service (NNS-4)

Attached hereto as Exhibit A-1(a), Page 1, is the tariff sheet for No-Notice Service under Rate NNS-4 applicable during the period of February 1, 2008 through April 30, 2008 which became effective January 1, 2008. The rates absent the discounts negotiated by LG&E would be as follows: (a) a daily demand charge of \$0.4190/MMBtu (or an equivalent monthly demand charge of \$12.7446/MMBtu) and (b) a commodity charge of \$0.0633/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$12.7446/MMBtu and a volumetric throughput charge (“commodity charge”) applicable to LG&E of \$0.0554/MMBtu.

Texas Gas’s Firm Transportation Service (FT-4)

Attached hereto as Exhibit A-1 (a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of February 1, 2008 through April 30, 2008. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges which became effective January 1, 2008. Page 3 contains the tariff sheet which sets forth the commodity charges effective January 1, 2008. The rates absent the discounts negotiated by LG&E would be as follows: (a) a daily demand charge of \$0.3142/MMBtu (or an equivalent monthly demand charge of \$9.5569/MMBtu) and (b) a commodity charge of \$0.0547/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$6.6332/MMBtu and a volumetric throughput charge (“commodity charge”) applicable to LG&E of \$0.0302/MMBtu during the Winter Season and \$0.0329/MMBtu during the Summer Season.

Tennessee Gas Pipeline Company

On August 30, 2007, TGPL filed tariff sheets at the FERC in Docket No. RP07-640 to reflect a new ACA Unit Charge as determined by FERC and recoverable by TGPL pursuant to the General Terms and Conditions of its FERC Gas Tariff. TGPL placed into effect on October 1, 2007, the new tariff sheet showing the new ACA funding unit of \$0.0019/MMBtu.

TGPL’s Firm Transportation Service (FT-A-2)

Attached hereto as Exhibit A-1 (a), Pages 4 and 5, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of February 1, 2008 through April 30, 2008. Page 4 contains the tariff sheet which sets forth the monthly demand charges effective July 1, 2006. Page 5 contains the tariff sheet which sets forth the commodity charges effective October 1, 2007. The rates absent the discounts negotiated by LG&E would be as follows for deliveries from Zone 0 to Zone 2: (a) a daily demand charge of \$0.2979/MMBtu (or an equivalent monthly demand charge of \$9.06/MMBtu) and (b) a commodity charge of \$0.0899/MMBtu. The rates absent the discounts negotiated by LG&E would be as follows for deliveries from Zone 1 to Zone 2: (a) a daily demand charge of \$0.2505/MMBtu (or an equivalent monthly demand charge of \$7.62/MMBtu) and (b) a commodity charge of \$0.0795/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$6.4640/MMBtu and a volumetric throughput charge (“commodity charge”) applicable to LG&E of \$0.0175/MMBtu, irrespective of the zone of receipt.

Gas Supply Costs

The New York Mercantile Exchange (“NYMEX”) natural gas futures prices as of December 27, 2007, are \$7.2000/MMBtu for February, \$7.2370/MMBtu for March, and \$7.2720/MMBtu for April. The NYMEX price has been used as a general price indicator.

Currently, the market for natural gas continues to be influenced by a number of factors, but most noticeably by buoyant storage inventory levels, predicted mild winter weather, and oil prices. The weekly gas storage survey issued by the Energy Information Administration (“EIA”) for the week ending December 14, 2007, indicated that storage inventory levels were very slightly lower than last year’s levels. Storage inventories across the nation are 4 Bcf (3,173 Bcf – 3,177 Bcf), or less than 1%, lower this year than the same period one year ago. Last year at this time, 3,177 Bcf was held in storage, while this year 3,173 Bcf is held in storage. However, storage inventories across the nation are 266 Bcf (3,173 Bcf – 2,907 Bcf), or 9%, higher this year than the five-year average. On average for the last five years at this time, 2,907 Bcf was held in storage. Higher storage inventory levels and the lack of demand for natural gas tend to drive

natural gas prices lower. Conversely, lower storage levels, interruptions of gas supply, or increases in demand for natural gas tend to cause increases in the expected price of natural gas. The price of competing forms of energy continues to place upward pressure on natural gas prices as oil prices reached new records, and still remain above \$95 per barrel. Of course, weather-driven demand (including demand for gas to fire electric generation loads arising from hot weather) was a key driver in boosting the demand for natural gas during the summer storage refill season. Significantly, there were no important supply disruptions in the wake of a nearly placid hurricane season for the U.S. A variety of weather forecasts for a warmer-than-normal winter could indicate a lower than otherwise expected demand for natural gas. At least one weather forecasting enterprise has predicted that most of the US will experience warmer-than-normal weather in January, adding that February should also bring warmer-than-normal weather to the Northeast and Southeast but colder-than average conditions almost everywhere else. The forecaster predicted that March will bring below-average temperatures almost across the entire U.S. These factors will continue to play an important role in affecting prices through the remainder of the 2007/2008 winter season.

During the three-month period under review, February 1, 2008 through April 30, 2008, LG&E estimates that its total purchases will be 6,003,119 MMBtu. LG&E expects that 3,020,119 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (3,010,834 MMBtu in pipeline deliveries plus 9,285 MMBtu in net storage withdrawals); 840,000 MMBtu will be met from deliveries under TGT's pipeline service under Rate FT; 2,143,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0; and 0 MMBtu will be met with deliveries from TGPL's pipeline service under Rate FT-A from Zone 1.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the NNS service is expected to be \$7.4510 per MMBtu in February 2008, \$7.4929 in March 2008, and \$7.4220 in April 2008. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the FT service is expected to be \$7.2995 per MMBtu in February 2008, \$7.3406 in March 2008, and \$7.3422 in April 2008. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL under Rate FT-A from its Zone 0 is expected to be \$7.0504 per MMBtu in February 2008, \$7.0926 in March 2008, and \$7.3943 in April 2008, and the average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL from its Zone 1 is expected to be \$7.5185 per MMBtu in February 2008, \$7.5603 in March 2008, and \$7.5141 in April 2008.

Set forth below are the commodity costs as delivered to LG&E after giving effect to TGT's and TGPL's commodity charges for transporting the gas under Rate NNS and Rate FT, applicable retention percentages, and the applicable surcharges approved by the FERC:

RATE NNS			
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU			
<u>UNDER TEXAS GAS'S NO-NOTICE SERVICE RATE</u>			
ESTIMATED PRICE AS DELIVERED <u>TO TEXAS GAS</u>	RATE NNS RETENTION <u>(TO ZONE 4)</u>	TRANSPORT <u>CHARGE</u>	TOTAL ESTIMATED DELIVERED <u>PRICE</u>

Feb 2008	\$7.2000	4.47%	\$0.0554	\$7.4510
Mar	\$7.2400	4.47%	\$0.0554	\$7.4929
Apr 2008	\$7.2700	2.94%	\$0.0554	\$7.4220

RATE FT
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE SL TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Feb 2008	\$7.2000	2.81%	\$0.0302	\$7.2995
Mar	\$7.2400	2.81%	\$0.0302	\$7.3406
Apr 2008	\$7.2700	2.18%	\$0.0329	\$7.3422

RATE FT-A
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TENN. GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TENN. GAS</u>	<u>RETENTION (TO ZONE 2)</u>	<u>RATE FT-A TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Zone 0				
Feb 2008	\$7.2000	5.16%	\$0.0175	\$7.0504
Mar	\$7.2400	5.16%	\$0.0175	\$7.0926
Apr 2008	\$7.2700	4.43%	\$0.0175	\$7.3943

Zone 1

Feb 2008	\$7.2000	4.28%	\$0.0175	\$7.5185
Mar	\$7.2400	4.28%	\$0.0175	\$7.5603
Apr 2008	\$7.2700	3.69%	\$0.0175	\$7.5141

The annual demand billings covering the 12 months from February 1, 2008 through January 31, 2009 for the firm contracts with natural gas suppliers are currently expected to be \$9,594,948.

Rate FT, Rider RBS, and Rate PS

The demand-related supply costs applicable to the Daily Utilization Charge under Rate FT, the Reserved Balancing Service under Rider RBS, and any daily utilization charges under Rate PS applicable during the three-month period of February 1, 2008 through April 30, 2008 are set forth on Exhibit A, Page 2.

Any revenue collected from the application of these charges will flow directly into the Gas Supply Cost Actual Adjustment (“GCAA”) in future Gas Supply Clause filings. Therefore, the revenue collected through application of these charges will reduce the total Gas Supply Cost Component (“GSCC”) charged to LG&E’s sales customers.

Texas Gas Transmission, LLC
 FERC Gas Tariff
 Second Revised Volume No. 1

Twelfth Revised Sheet No. 20
 Superseding
 Eleventh Revised Sheet No. 20

Currently Effective Maximum Transportation Rates (\$ per MMBtu)
 For Service Under Rate Schedule NNS

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
Zone SL			
Daily Demand	0.1800		0.1800
Commodity	0.0253	0.0019	0.0272
Overrun	0.2053	0.0019	0.2072
Zone 1			
Daily Demand	0.2782		0.2782
Commodity	0.0431	0.0019	0.0450
Overrun	0.3213	0.0019	0.3232
Zone 2			
Daily Demand	0.3088		0.3088
Commodity	0.0460	0.0019	0.0479
Overrun	0.3548	0.0019	0.3567
Zone 3			
Daily Demand	0.3543		0.3543
Commodity	0.0490	0.0019	0.0509
Overrun	0.4033	0.0019	0.4052
Zone 4			
Daily Demand	0.4190		0.4190
Commodity	0.0614	0.0019	0.0633
Overrun	0.4804	0.0019	0.4823

Minimum Rate: Demand \$-0-; Commodity - Zone SL 0.0163
 Zone 1 0.0186
 Zone 2 0.0223
 Zone 3 0.0262
 Zone 4 0.0308

Notes:

- The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 25 of the General Terms and Conditions.

- For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental transportation charge of:

Daily Demand	\$0.0621
Commodity	\$0.0155
Overrun	\$0.0776

This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.

- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas the above rates shall be increased to include an incremental transportation charge of:

Daily Demand	\$0.1288
Commodity	\$0.0068
Overrun	\$0.1356

These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Issued by: J. Kyle Stephens, VP, Regulatory Affairs and Rates

Issued on: December 17, 2007

Effective on: January 1, 2008

Texas Gas Transmission, LLC
 FERC Gas Tariff
 Second Revised Volume No. 1

Sixth Revised Sheet No. 24
 Superseding
 Substitute Fifth Revised Sheet No. 24

Currently Effective Maximum Daily Demand Rates (\$ per MMBtu)
 For Service Under Rate Schedule FT

	Currently Effective Rates [1]
SL-SL	0.0794
SL-1	0.1552
SL-2	0.2120
SL-3	0.2494
SL-4	0.3142
1-1	0.1252
1-2	0.1820
1-3	0.2194
1-4	0.2842
2-2	0.1332
2-3	0.1705
2-4	0.2334
3-3	0.1181
3-4	0.1810
4-4	0.1374

Minimum Rates: Demand \$-0-

Backhaul rates equal fronthaul rates to zone of delivery.

[1] Currently Effective Rates are equal to the Base Tariff Rates.

Notes:

- The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 25 of the General Terms and Conditions.
- For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental Daily Demand charge of \$0.0621. This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas the above rates shall be increased to include an incremental Daily Demand charge of \$0.1288. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Issued by: J. Kyle Stephens, VP, Regulatory Affairs and Rates

Issued on: November 30, 2007

Effective on: January 1, 2008

Texas Gas Transmission, LLC
FERC Gas Tariff
Second Revised Volume No. 1

Substitute Eleventh Revised Sheet No. 25
Superseding
Tenth Revised Sheet No. 25

Currently Effective Maximum Commodity Rates (\$ per MMBtu)
For Service Under Rate Schedule FT

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
SL-SL	0.0104	0.0019	0.0123
SL-1	0.0355	0.0019	0.0374
SL-2	0.0399	0.0019	0.0418
SL-3	0.0445	0.0019	0.0464
SL-4	0.0528	0.0019	0.0547
1-1	0.0337	0.0019	0.0356
1-2	0.0385	0.0019	0.0404
1-3	0.0422	0.0019	0.0441
1-4	0.0508	0.0019	0.0527
2-2	0.0323	0.0019	0.0342
2-3	0.0360	0.0019	0.0379
2-4	0.0446	0.0019	0.0465
3-3	0.0312	0.0019	0.0331
3-4	0.0398	0.0019	0.0417
4-4	0.0360	0.0019	0.0379

Minimum Rates: Commodity minimum base rates are presented on Sheet 31.

Backhaul rates equal fronthaul rates to zone of delivery.

Notes:

- For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental Commodity charge of \$0.0155. This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas the above rates shall be increased to include an incremental Commodity charge of \$0.0068. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Issued by: J. Kyle Stephens, VP, Regulatory Affairs and Rates

Issued on: December 18, 2007

Effective on: January 1, 2008

TENNESSEE GAS PIPELINE COMPANY
 FERC Gas Tariff
 FIFTH REVISED VOLUME NO. 1

Twenty-Fifth Revised Sheet No. 23
 Superseding
 Twenty-Fourth Revised Sheet No. 23

RATES PER DEMATHERM

FIRM TRANSPORTATION RATES
 RATE SCHEDULE FOR FT-A

Base Reservation Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59
L		\$2.71						
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16

Surcharges

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
PCB Adjustment: 1/	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
L		\$0.00						
1	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Maximum Reservation Rates 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59
L		\$2.71						
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16

Minimum Base Reservation Rates The minimum FT-A Reservation Rate is \$0.00 per Dth

Notes:

- 1/ PCB adjustment surcharge originally effective for PCB Adjustment Period of July 1, 1995 - June 30, 2000, was revised and the PCB Adjustment Period has been extended until June 30, 2008 as required by the Stipulation and Agreement filed on May 15, 1995 and approved by Commission Orders Issued November 29, 1995 and February 20, 1996.
- 2/ Maximum rates are inclusive of base rates and above surcharges.

Issued by: Byron S. Wright, Vice President
 Issued on: May 31, 2006

Effective on: July 1, 2006

TENNESSEE GAS PIPELINE COMPANY
FERC Gas Tariff
FIFTH REVISED VOLUME NO. 1

Nineteenth Revised Sheet No. 23A
Superseding
Eighteenth Revised Sheet No. 23A

RATES PER DEKATHERM

COMMODITY RATES
RATE SCHEDULE FOR FT-A

Base Commodity Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0439		\$0.0669	\$0.0880	\$0.0978	\$0.1118	\$0.1231	\$0.1608
L		\$0.0286						
1	\$0.0669		\$0.0572	\$0.0776	\$0.0874	\$0.1014	\$0.1126	\$0.1503
2	\$0.0880		\$0.0776	\$0.0433	\$0.0530	\$0.0681	\$0.0783	\$0.1159
3	\$0.0978		\$0.0874	\$0.0530	\$0.0366	\$0.0663	\$0.0765	\$0.1142
4	\$0.1129		\$0.1025	\$0.0681	\$0.0663	\$0.0401	\$0.0459	\$0.0834
5	\$0.1231		\$0.1126	\$0.0783	\$0.0765	\$0.0459	\$0.0427	\$0.0765
6	\$0.1608		\$0.1503	\$0.1159	\$0.1142	\$0.0834	\$0.0765	\$0.0642

Minimum
Commodity Rates 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0026		\$0.0096	\$0.0161	\$0.0191	\$0.0233	\$0.0268	\$0.0326
L		\$0.0034						
1	\$0.0096		\$0.0067	\$0.0129	\$0.0159	\$0.0202	\$0.0236	\$0.0294
2	\$0.0161		\$0.0129	\$0.0024	\$0.0054	\$0.0100	\$0.0131	\$0.0189
3	\$0.0191		\$0.0159	\$0.0054	\$0.0004	\$0.0095	\$0.0126	\$0.0184
4	\$0.0237		\$0.0205	\$0.0100	\$0.0095	\$0.0015	\$0.0032	\$0.0090
5	\$0.0268		\$0.0236	\$0.0131	\$0.0126	\$0.0032	\$0.0022	\$0.0069
6	\$0.0326		\$0.0294	\$0.0189	\$0.0184	\$0.0090	\$0.0069	\$0.0031

Maximum
Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0458		\$0.0688	\$0.0899	\$0.0997	\$0.1137	\$0.1250	\$0.1627
L		\$0.0305						
1	\$0.0688		\$0.0591	\$0.0795	\$0.0893	\$0.1033	\$0.1145	\$0.1522
2	\$0.0899		\$0.0795	\$0.0452	\$0.0549	\$0.0700	\$0.0802	\$0.1178
3	\$0.0997		\$0.0893	\$0.0549	\$0.0385	\$0.0682	\$0.0784	\$0.1161
4	\$0.1148		\$0.1044	\$0.0700	\$0.0682	\$0.0420	\$0.0478	\$0.0853
5	\$0.1250		\$0.1145	\$0.0802	\$0.0784	\$0.0478	\$0.0446	\$0.0784
6	\$0.1627		\$0.1522	\$0.1178	\$0.1161	\$0.0853	\$0.0784	\$0.0661

Notes:

- The above maximum rates include a per Dth charge for:
(ACA) Annual Charge Adjustment \$0.0019
- The applicable fuel retention percentages are listed on Sheet No. 29, provided that for service rendered solely by displacement, shipper shall render only the quantity of gas associated with losses of 5%.

Issued by: Patrick A. Johnson, Vice President
Issued on: August 30, 2007

Effective on: October 1, 2007

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2008-00XXX

Calculation of Gas Cost Actual Adjustment (GCAA)

The purpose of this adjustment is to compensate for over- or under-recoveries which result from differences between various quarters' revenues collected to recover expected gas costs and the actual gas costs incurred during each such quarter. As shown on Page 1 of Exhibit B-1, the amount of over-recovery from Case Number 2007-00267 during the three-month period of August 1, 2007 through October 31, 2007 was \$4,890,642. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a credit of 1.502¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after February 1, 2008, and continue for 12 months. Also enclosed, on pages 5 and 6 of Exhibit B-1, is a breakdown of gas purchases for the three-month period from August 2007 through October 2007. [Please note that the names of the suppliers have been redacted from this page, in accordance with LG&E's petition for confidentiality filed this quarter.]

Also in this filing, LG&E will be eliminating the GCAA from Case 2006-00335, with service rendered through January 31, 2008, which will have been in effect for twelve months. Any over or under recovery of the amount originally established in this GCAA will be transferred to the Gas Cost Balance Adjustment (GCBA) which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after the month of May 2008.

Therefore, the Gas Cost Actual Adjustment will be as follows:

Current Quarter Actual Adjustment:	
Effective February 1, 2008 from 2007-00267	(1.502) cents/Ccf
Previous Quarter Actual Adjustment	
Effective November 1, 2007 from 2007-00141	(1.141) cents/Ccf
2nd Previous Quarter Actual Adjustment:	
Effective August 1, 2007 from 2007-00001	3.909 cents/Ccf
3rd Previous Quarter Actual Adjustment	
Effective May 1, 2007 from 2006-00431	1.199 cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	2.465 cents/Ccf

In preparation of this quarter's Gas Supply Clause "GSC", a mis-keyed value was discovered in Case No. 2007-00141, Tariff Sheet No. 70 shown in Attachment 1 below. The Gas Supply Cost was presented as 97.761¢ when it should have been 92.761¢. Note that the tariff sheet as filed does not sum to the displayed total. This one number was mis-keyed in transferring the information from an Excel spreadsheet to the Tariff Word document. The correct Total Gas Supply Cost Component of 100.111¢ was picked up for customer billings purposes during the May 1, 2007 through July 31, 2007 time frame, and the total approved tariff charge were appropriately billed to customers.

The mis-keyed value in the previously mentioned tariff also caused the incorrect value to be included in the Exhibit B, Gas Cost Actual Adjustment "GCAA" calculation in Case No. 2007-00428 filing. This error has resulted in an over refunding of \$1,307,422 being credited back to the customers through the GCAA for the period from November 1, 2007 through the October 31, 2008. Attachment 2 and 3 below outline the calculation as filed compared to the corrected values.

Since Case No. 2007-00428 has already been approved by the Commission and the twelve months of the GCAA has already started, the \$1,307,422 over-recovery will be included as an adjustment when the Case No. 2007-00141 over/under recovery rolls into the Gas Cost Balance Adjustment "GCBA" mechanism. The corrected amount will be included in the Exhibit C calculations as a charge in the February 2009 through April 2009 GSC filing.

Attachment #1

Louisville Gas and Electric Company

Thirteenth Revision of Original Sheet No. 70
P.S.C. of Ky. Gas No. 6

STANDARD RATE SCHEDULE	GSC	
Gas Supply Clause		
APPLICABLE TO		
All gas sold.		
GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	97.761¢	|
Gas Cost Actual Adjustment (GCAA)	(4.975)	|
Gas Cost Balance Adjustment (GCBA)	10.765	|
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
Refund Factor Effective August 1, 2006	(0.050)	
Performance-Based Rate Recovery Component (PBRRC)	<u>1.610</u>	
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	100.111¢	|

Date of Issue: May 7, 2007
canceling Twelfth Revision of
Original Sheet No. 70
Issued January 30, 2007

Issued By

Date Effective: May 1, 2007

Kent W. Blake, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued By Authority of an Order of the K.P.S.C. in Case No. 2007-00141 dated April 26, 2007

Attachment #2

Exhibit B, Page 2 of 6		AS FILED	CORRECTED	
		Monthly	May 1, 2007	May 1, 2007
		Mcf Sales ¹	through	through
			July 31, 2007	July 31, 2007
1	2006 MAY	1,335,505		
2	JUNE	923,191		
3	JULY	795,759		
4	AUG	719,392		
5	SEPT	782,784		
6	OCT	1,188,323		
7	NOV	2,830,660		
8	DEC	4,212,884		
9	2007 JAN	4,716,686		
10	FEB	6,903,906		
11	MAR	4,947,897		
12	APR	2,569,206		
13	MAY	1,488,291	631,859	631,859
14	JUN	864,422	864,422	864,422
15	JULY	764,303	764,303	764,303
16	AUG	727,533	354,261	354,261
17	SEPT	763,556		
18	OCT	811,984		
19	NOV	2,092,834		
20	Applicable Mcf Sales During 3 Month Period		2,614,844	2,614,844
21	Gas Supply Clause Case No.		2007-00141	2007-00141
22	Gas Supply Cost Recovered Per Mcf Sold		\$9,7761	\$9,2761
				-\$0.5000
23	Dollars of Recovery Under GSC		\$25,562,979	\$24,255,557
				-\$1,307,422
24	Total Dollars Recovered During 3-Month Period			
25	Mcf of Customer-Owned Gas Transported Under Rate TS		23,416	23,416
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period			
27	Pipeline Suppliers' Demand Component Per Mcf		0.9451	0.9451
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)		\$22,130	\$22,130
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)		\$186,088	\$186,088
30	Revenues from Off-system Sales		\$0	\$0
31	Total S's of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)		\$25,771,197	\$24,463,775
				-\$1,307,422

Attachment #3

Exhibit B, Page 1 of 6			(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Cost Recovery Under GSC Compared to Actual Gas Supply Costs			Derivation of Gas Cost Actual Adjustment (GCAA) Which Compensates for Over or Under Recoveries			
Start Date	End Date	Case	Total Dollars of Gas Cost Recovered ¹	Gas Supply Cost Per Books ²	Over Or (Under) Recovery (1) - (2)	Expected Mcf Sales for 12- Month Period From Date Implemented	GCAA Per Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On
As Filed									
May-2007	Jul-2007	(Case No. 2007-00141)	25,771,197	22,055,021	3,716,176	32,562,833	(\$0.1141)	(\$0.01141)	11/1/2007
Corrected									
May-2007	Jul-2007	(Case No. 2007-00141)	24,463,775	22,055,021	2,408,754	32,562,833	(\$0.0740)	(\$0.00740)	11/1/2007
		Overstated Over Recovery	1,307,422	0	1,307,422	0	(\$0.0402)	(\$0.00402)	Over Credited Customer Bills

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Gas Cost Actual Adjustment
Which Compensates for Over- or Under-
Recoveries of Gas Supply Costs

(1)	(2)	(3)	(4)	(5)	(6)	(7)			
							Cost Recovery Under GSC Compared to Actual Gas Supply Costs	Derivation of Gas Cost Actual Adjustment (GCAA) Which Compensates for Over or Under Recoveries	
Start Date	End Date	Case	Total Dollars of Gas Cost Recovered ¹	Gas Supply Cost Per Books ²	Over Or (Under) Recovery (1) - (2)	Expected Mcf Sales for 12- Month Period From Date Implemented	GCAA Per Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On
Feb-2003	Apr-2003	(Case No. 2003-00004)	68,860,317	89,433,601	(20,573,284)	36,900,588	\$0.5575	\$0.05575	8/1/2003
May-2003	Jul-2003	(Case No. 2003-00121)	18,971,902	18,559,852	412,050	36,348,575	(\$0.0113)	(\$0.00113)	11/1/2003
Aug-2003	Oct-2003	(Case No. 2003-00260)	25,560,264	20,773,050	4,787,214	36,405,180	(\$0.1315)	(\$0.01315)	2/1/2004
Nov-2003	Jan-2004	(Case No. 2003-00385)	110,568,160	117,066,050	(6,497,890)	36,398,609	\$0.1785	\$0.01785	5/1/2004
Feb-2004	Apr-2004	(Case No. 2004-00506)	83,438,486	81,507,939	1,930,547	36,434,958	(\$0.0530)	(\$0.00530)	8/1/2004
May-2004	Jul-2004	(Case No. 2004-00117)	19,042,943	21,865,358	(2,822,415)	36,321,555	\$0.0777	\$0.00777	11/1/2004
Aug-2004	Oct-2004	(Case No. 2004-00271)	25,903,070	20,754,205	5,148,865	36,326,312	(\$0.1417)	(\$0.01417)	2/1/2005
Nov-2004	Jan-2005	(Case No. 2004-00390)	121,366,510	128,832,748	(7,466,238)	36,421,319	\$0.2050	\$0.02050	5/1/2005
Feb-2005	Apr-2005	(Case No. 2004-00526)	97,013,157	96,350,924	662,233	36,428,002	(\$0.0182)	(\$0.00182)	8/1/2005
May-2005	Jul-2005	(Case No. 2005-00143)	31,352,437	29,163,240	2,189,197	35,923,358	(\$0.0609)	(\$0.00609)	11/1/2005
Aug-2005	Oct-2005	(Case No. 2005-00274)	26,937,216	45,136,099	(18,198,883)	36,264,049	\$0.5018	\$0.05018	2/1/2006
Nov-2005	Jan-2006	(Case No. 2005-00401)	195,225,843	176,113,181	19,112,662	36,235,391	(\$0.5275)	(\$0.05275)	5/1/2006
Feb-2006	Apr-2006	(Case No. 2006-00005)	118,813,736	99,908,070	18,905,666	36,234,450	(\$0.5218)	(\$0.05218)	8/1/2006
May-2006	Jul-2006	(Case No. 2006-00138)	25,653,769	25,555,064	98,705	33,519,195	(\$0.0029)	(\$0.00029)	11/1/2006
Aug-2006	Oct-2006	(Case No. 2006-00335)	30,851,071	27,737,106	3,113,965	33,575,288	(\$0.0927)	(\$0.00927)	2/1/2007
Nov-2006	Jan-2007	(Case No. 2006-00431)	117,566,789	121,616,960	(4,050,171)	33,784,429	\$0.1199	\$0.01199	5/1/2007
Feb-2007	Apr-2007	(Case No. 2007-00001)	96,196,128	109,420,254	(13,224,126)	33,829,123	\$0.3909	\$0.03909	8/1/2007
May-2007	Jul-2007	(Case No. 2007-00141)	25,771,197	22,055,021	3,716,176	32,562,833	(\$0.1141)	(\$0.01141)	11/1/2007
Aug-2007	Oct-2007	(Case No. 2007-00267)	27,831,017	22,940,375	4,890,642	32,561,210	(\$0.1502)	(\$0.01502)	2/1/2008

Exhibit B-1
Page 1 of 6

¹ See Page 2 of this Exhibit.

² See Page 4 of this Exhibit.

	Monthly Mcf Sales ¹	Feb 1, 2006 Through Apr 30, 2006	May 1, 2006 through July 31, 2006	Aug 1, 2006 through Oct 31, 2006	Nov 1, 2006 through Jan 31, 2007	Feb 1, 2007 through Apr 30, 2007	May 1, 2007 through July 31, 2007	August 1, 2007 through Oct 31, 2007
1	2006 MAY		629,507					
2	JUNE		705,997					
3	JULY		923,191					
4	AUG		795,759	391,767				
5	SEPT		327,625	782,784				
6	OCT			1,188,323				
7	NOV			1,404,555	1,426,105			
8	DEC				4,212,884			
9	JAN				4,716,686			
10	FEB				3,226,318	3,677,588		
11	MAR				4,947,897	4,947,897		
12	APR				2,569,206	2,569,206		
13	MAY				856,431	856,431	631,859	
14	JUN					864,422	864,422	
15	JULY					764,303	764,303	
16	AUG					354,261	354,261	373,273
17	SEPT							763,556
18	OCT							811,984
19	NOV							920,771
20	Applicable Mcf Sales During 3 Month Period	9,880,883	2,752,572	3,767,428	13,581,993	12,051,122	2,614,844	2,869,583
21	Gas Supply Clause Case No.	2006-00005	2006-00138	2006-00335	2006-00431	2007-00001	2007-00141	2007-00267
22	Gas Supply Cost Recovered Per Mcf Sold	\$12,0028	\$9,2587	\$8,0336	\$8,1687	\$7,5931	\$9,7761	\$8,7448
23	Dollars of Recovery Under GSC	\$118,598,260	\$25,485,235	\$30,266,013	\$110,947,227	\$91,505,375	\$25,562,979	\$25,093,933
24	Total Dollars Recovered During 3-Month Period	15,140	19,251	24,076	24,855	29,958	23,416	25,541
25	Mcf of Customer-Owned Gas Transported Under Rate TS							
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period	0.8923	0.8757	0.8761	0.9534	0.9522	0.9451	0.9455
27	Pipeline Suppliers' Demand Component Per Mcf	\$13,509	\$16,858	\$21,093	\$23,697	\$28,526	\$22,130	\$24,149
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)	\$201,966	\$151,676	\$563,965	\$431,024	\$410,936	\$186,088	\$503,492
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)	0	0	0	\$6,164,842	\$4,251,291	\$0	\$2,209,444
30	Revenues from Off-system Sales							
31	Total \$'s of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)	\$118,813,736	\$25,653,769	\$30,851,071	\$117,566,789	\$96,196,128	\$25,771,197	\$27,831,017

1. Monthly Mcf Sales include volumes for Natural Gas Vehicles (NGVs).

LOUISVILLE GAS AND ELECTRIC COMPANY
Total Gas Supply Cost Per Books

	MCF										DOLLARS													
	Mcf Purchases for OSS	Mcf Purchases for Deps. other Than Gas Dept.	Less: Purchases Injected Into Storage	Plus: Mcf Withdrawn From Storage	Plus Storage Losses	Mcf Scantout (Gas Dept)	Purchased Gas Costs	Purchased Gas Costs for OSS	Less: Purchases for Non-Gas Departments	Less: Purchases Injected Into Storage	Plus: Cost of Gas Withdrawn From Storage	Plus Storage Losses	Plus: Other Gas Purchase Expenses	Total Gas Supply Cost										
November	2,843,627	0	(90,278)	762,039	38,831	3,439,907	35,309,438	0	(1,112,797)	(1,419,755)	7,819,387	398,460	7,494	41,002,428										
December	5,432,487	271,147	(59,599)	1,509,373	36,224	7,058,053	66,638,346	3,079,420	(741,978)	(1,613,580)	15,517,260	372,404	9,585	83,261,458										
January	2,182,703	0	(46,779)	2,422,043	33,269	4,591,236	27,180,824	0	(582,099)	0	24,900,655	342,025	8,489	51,849,295										
Total November 2005 thru January 2006						15,089,196								176,113,181										
February	2,562,181	0	(45,805)	2,675,013	29,138	5,220,527	23,658,650	0	(422,841)	0	27,500,739	299,556	7,184	51,043,287										
March	1,095,504	0	(85,846)	2,769,947	24,262	3,803,867	10,494,771	0	(838,441)	0	28,476,994	249,430	8,680	38,371,434										
April	283,698	0	(120,961)	1,316,732	19,459	1,499,028	(2,088,133)	0	(1,165,164)	0	13,536,795	201,078	8,773	10,493,349										
Total February 2006 thru April 2006						10,523,422								99,908,070										
May	690,837	0	(113,117)	613,678	20,836	1,212,234	9,559,313	0	(1,363,612)	0	6,308,978	214,207	9,116	14,728,202										
June	2,321,636	0	(282,268)	843	22,373	886,834	15,195,314	0	(1,981,610)	(7,622,035)	7,559	200,601	10,036	5,809,864										
July	3,852,321	0	(288,065)	(154)	26,981	756,114	25,475,431	0	(2,026,423)	(18,651,545)	(1,213)	212,510	8,238	5,016,998										
Total May 2006 thru July 2006						2,855,182								25,555,064										
August	4,284,495	0	(31,859)	263	31,622	987,613	33,571,974	0	(2,860,404)	(23,249,949)	2,066	248,384	8,545	7,720,616										
September	3,659,105	0	(53,155)	362	39,097	935,050	20,731,818	0	(296,289)	(15,352,558)	2,662	289,679	7,644	5,382,955										
October	4,836,561	0	(48,327)	1,164	37,664	2,420,339	29,153,312	0	(303,062)	(14,500,987)	8,297	268,473	7,502	14,633,535										
Total August thru October 2006						4,343,002								27,737,106										
November	3,016,556	149,326	(45,337)	673,650	38,502	3,646,965	26,430,816	1,069,124	(368,805)	(1,634,367)	4,816,395	275,278	6,730	30,595,171										
December	2,895,879	0	(78,685)	2,153,807	35,546	4,901,588	27,955,507	0	(466,613)	(1,013,400)	15,440,427	254,826	8,949	42,179,696										
January	3,231,228	743,263	(61,689)	2,813,340	27,026	6,753,168	24,379,913	4,342,511	(251,722)	0	20,168,553	193,747	9,091	48,842,093										
Total November 2006 thru January 2007						15,301,721								121,616,960										
February	4,431,420	569,422	(38,257)	2,904,151	27,239	7,871,700	37,145,995	3,994,833	(320,441)	(186,718)	20,828,281	195,355	8,654	61,665,960										
March	1,511,359	0	(42,084)	1,641,479	22,896	3,131,522	15,231,795	0	(404,185)	(21,466)	11,774,329	164,233	9,751	26,754,457										
April	1,409,597	0	(177,667)	1,425,492	20,115	2,677,842	12,146,435	0	(1,522,619)	(819)	10,225,197	144,287	7,357	20,999,837										
Total February 2007 thru April 2007						13,681,064								109,420,254										
May	752,051	0	(141,660)	497,347	20,094	998,885	8,106,108	0	(1,396,513)	(1,413,981)	3,653,561	147,613	9,474	9,106,261										
June	2,279,433	0	(60,438)	1,669	22,015	827,695	19,695,842	0	(513,322)	(12,379,514)	130,808	172,761	9,092	7,115,667										
July	3,729,293	0	(57,367)	649	26,061	822,415	26,470,490	0	(408,134)	(20,438,426)	4,883	196,062	8,218	5,833,093										
Total May 2007 thru July 2007						2,648,995								22,055,021										
August	4,011,754	0	(354,482)	(601)	34,572	788,931	27,519,929	0	(2,472,639)	(19,906,668)	(4,399)	253,828	8,263	5,398,315										
September	3,237,536	271,061	(87,033)	412	34,704	1,102,304	20,632,234	1,478,098	(562,801)	(14,995,492)	2,937	247,412	8,157	6,810,546										
October	3,972,767	73,926	(87,452)	302	38,266	1,447,206	29,732,137	478,134	(657,208)	(19,107,332)	2,173	275,278	8,333	10,731,515										
Total August 2007 thru October 2007						3,338,441								22,940,375										

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2008-00XXX

Calculation of Gas Cost Balance Adjustment (GCBA)

The purpose of this adjustment is to compensate for any over or under recoveries remaining from prior Gas Cost Actual Adjustments and Gas Cost Balance Adjustments. The over-recovery that must be given back under the Gas Cost Balance Adjustment (GCBA) during the period of February 1, 2008 through April 30, 2008, set forth on Page 1 of Exhibit C-1 is \$247,741. The GCBA factor required to give back this over-recovery is a credit of 0.221¢ per 100 cubic feet. LG&E will place this credit into effect with service rendered on and after February 1, 2008 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2007-00428, which, with service rendered through January 30, 2008, will have been in effect for three months. Any over- or under-recovery of the amount originally established will be transferred to the GCBA which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after May 1, 2008.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Quarterly Gas Cost Balance Adjustment
To Compensate for Over or (Under) Recoveries
From the Gas Cost Actual Adjustment (GCAA) and
Gas Cost Balance Adjustment (GCBA)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Implemented for Three-Month Period With Service Rendered On and After:	Remaining Over (Under) Recovery From GCAA ¹ (\$)	Amt. Transferred From Refund Factor & PBRRC (\$)	GCBA From Second Preceding 3 Mo. Period (\$)	Applicable Sales During 3 Mo. Period ² (mcf)	GCBA Factor From Second Preceding 3 Mo. Period (cents/mcf)	Recovery Under GCBA (\$)	Remaining Over (Under) Recovery (\$)	Deferred Amounts (\$)	Total Remaining Over (Under) Recovery (\$)	Expected Sales For 3 Mo. Period (mcf)	GCBA (cents/mcf)	GCBA (cents/ccf)
						(5) x (6)	(4) + (7)		(2 + 3 + 8 + 9)			
August 1, 2003 (Case No. 2003-00260)	19,949		396,386	12,976,494	(3.05)	(395,783)	603		20,552	3,691,785	(0.56)	(0.056)
November 1, 2003 (Case No. 2003-00385)	35,085		27,578	2,961,852	(0.78)	(23,102)	4,476		39,561	17,166,186	(0.23)	(0.023)
February 1, 2004 (Case No. 2004-00506)	40,066	(970) ⁴	20,552	3,440,040	(0.56)	(19,608)	944		40,040	12,672,184	(0.32)	(0.032)
May 1, 2004 (Case No. 2004-00117)	(46,186)		39,561	16,014,377	(0.23)	(36,833)	2,728		(43,458)	2,869,986	1.51	0.151
August 1, 2004 (Case No. 2004-00271)	(648,088)	(886,051) ⁵	40,481	12,039,509	(0.32)	(38,526)	1,955		(1,532,184)	3,663,708	4.182	4.182
November 1, 2004 (Case No. 2004-00390)	(1,472,569)		(43,456)	2,767,447	1.51	41,788	(1,668)		(1,474,237)	16,297,803	9.05	0.905
February 1, 2005 (Case No. 2004-00526)	28,123		(1,532,184)	3,154,503	41.82	1,319,213	(212,971)		(184,848)	12,678,174	1.46	0.146
May 1, 2005 (Case No. 2005-00143)	510,098	(369,696) ⁶	(1,474,237)	14,564,142	9.05	1,318,055	(156,182)		(15,780)	3,087,349	0.51	0.051
August 1, 2005 (Case No. 2005-00274)	(708,364)	(432,909) ⁷	(184,848)	11,948,228	1.46	174,444	(10,404)		(1,151,677)	3,672,564	31.36	3.136
November 1, 2005 (Case No. 2005-00401)	197,051		(15,780)	3,040,598	0.51	15,507	(273)		196,778	17,202,685	(1.14)	(0.114)
February 1, 2006 (Case No. 2006-00005)	(292,650)		(1,151,677)	3,005,143	31.36	942,413	(209,264)		(501,914)	12,384,154	4.05	0.405
May 1, 2006 (Case No. 2006-00138)	621,092		196,778	13,959,263	(1.14)	(159,677)	37,101		658,193	3,143,460	(20.94)	(2.094)
August 1, 2006 (Case No. 2006-00335)	(1,339,631)	(270,087) ⁸	(501,914)	7,486,966	4.05	303,222	(198,692)		(1,808,410)	3,756,552	48.14	4.814
November 1, 2006 (Case No. 2006-00431)	123,552		658,193	2,752,572	(20.94)	(576,389)	81,804		205,356	15,898,032	(1.29)	(0.129)
February 1, 2007 (Case No. 2007-00001)	340,264		(1,711,456) ⁹	3,767,428	48.14	1,813,640	102,184		442,448	11,775,388 ³	(3.76)	(0.376)
May 1, 2007 (Case No. 2007-00141)	(3,153,475)		205,356	13,581,993	(1.29)	(175,208)	30,149		(3,123,326)	2,901,342	107.65	10.765
August 1, 2007 (Case No. 2007-00267)	2,151,894	(470,308) ¹⁰	442,448	12,051,122	(3.76)	(453,122)	(10,674)		1,670,912	3,349,006	(49.89)	(4.989)
November 1, 2007 (Case No. 2007-00428)	2,200,035	20,942 ¹¹	(3,123,326)	2,614,844	107.65	2,814,880	(308,446)		1,912,531	15,504,337	(12.34)	(1.234)
February 1, 2008 (Case No. 2008-00xxx)	8,464	-	1,670,912	2,869,583	(49.89)	(1,431,635)	239,277		247,741	11,191,562	(2.21)	(0.221)

1 See Exhibit C-1, page 2.
2 Corresponds with actual applicable sales shown on Exhibit B-1, page 2.
3 For The Three-Month Period From February 1, 2008 through April 30, 2008.
4 This amount represents an over-refund by LG&E from Case No. 2002-00368 of a pipeline supplier refund.
5 Reconciliation of the PBRCC from Case Nos. 2000-080-B, 2000-080-I, and 2002-00261.
6 Previous Total Remaining Under-Recovery in Case No. 2005-00526 of (\$184,848) as shown in Column 10, was erroneously transferred to the Summary Sheet as an Over-Recovery and reflected as a refund factor in calculating the Gas Cost Balance Adjustment for February through April 2005. This adjustment corrects that error.
7 Reconciliation of the PBRCC from previous twelve months.
8 Reconciliation of the PBRCC from previous twelve months.
9 Correction of Total Remaining Over(Under) Recovery (Col. 10) for August 1, 2006. Applicable Sales used in this calculation should have been 9,880,883 Mcf, instead of 7,486,966 Mcf, resulting in a Total Remaining Over(Under) Recovery of (\$1,711,456), instead of (\$1,808,410).
10 Reconciliation of the PBRCC from previous twelve months.
11 This amount represents an over-refund by LG&E from the FERC settlement of the rate case filed by Texas Gas in Docket No. RP05-317 of a pipeline supplier refund.

LOUISVILLE GAS AND ELECTRIC COMPANY

2005	February	5,874,728	As Pro-Rated for Service Rendered During:		GCAA Case No. 2004-00390 February 1, 2005	GCAA Case No. 2004-00526 August 1, 2005	GCAA Case No. 2005-00143 November 1, 2005	GCAA Case No. 2005-00274 February 1, 2006	GCAA Case No. 2006-00138 May 1, 2006	GCAA Case No. 2006-00335 August 1, 2006	GCAA Case No. 2006-00431 November 1, 2006
			Previous Current	Following							
		(1)	(2)	(3)	Amount Billed Under		Amount Billed Under		Amount Billed Under		
		Total Monthly	Amount Billed Under	Amount Billed Under	cents per Mcf		cents per Mcf		cents per Mcf		
	Amount of Over (Under) Recovery -- See Exhibit B-1, Page 1	\$5,148,865	(\$7,466,238)	\$662,233	\$2,189,197	(\$18,198,883)	\$19,112,662	\$18,905,666	\$98,705		
2005	February	5,874,728	2,859,788	3,014,939	(427,216.88) (3)						
	March	5,232,940			(741,507.54) (1)						
	April	2,888,645			(409,320.95) (1)						
	May	1,725,429	811,705	913,725	(244,493.35) (1)	187,313.60 (3)					
	June	924,088			(130,943.27) (1)	189,438.04 (1)					
	July	802,316			(113,688.18) (1)	164,474.78 (1)					
	August	751,741	400,469	351,272	(106,521.63) (1)	154,106.80 (1)					
	September	753,898			(106,827.33) (1)	154,549.07 (1)					
	October	872,219			(123,593.40) (1)	178,804.85 (1)					
	November	1,942,084	1,027,755	914,329	(275,193.30) (1)	398,127.22 (1)					
	December	5,196,564			(736,353.18) (1)	1,065,295.70 (1)					
2006	January	5,536,942	2,311,427	2,393,917	(784,584.74) (1)	1,135,073.19 (1)					
	February	4,705,344			(327,529.22) (2)	964,595.46 (1)					
	March	4,164,379				853,697.59 (1)					
	April	2,693,081				552,081.50 (1)					
	May	1,335,505	629,508	705,997		129,049.16 (2)					
	June	923,191									
	July	795,759									
	August	719,392	327,625	391,767							
	September	782,784									
	October	1,188,323									
	November	2,830,660	1,404,555	1,426,105							
	December	4,212,884									
2007	January	4,716,686	3,226,318	3,677,588							
	February	6,903,906									
	March	4,947,897									
	April	2,569,206									
	May	1,488,291	856,431	631,860							
	June	864,422									
	July	764,303									
	August	727,533	354,261	373,272							
	September	763,556									
	October	811,984									
	November	2,092,834	920,771	1,172,063							
Total Amount Billed Under GCAA			6,126,607	(538,681)	(4,527,773)	(538,681)	(1,848,933)	(16,705,631)	(16,705,631)	(90,241)	
Remaining Amount of Over (Under) Recovery			621,092	(1,339,631)	123,552	340,264	(3,153,475)	2,151,894	2,200,035	8,464	

(1) GCAA Times Sales Shown in Column 1.
(2) GCAA Times Sales Shown in Column 2.
(3) GCAA Times Sales Shown in Column 3.

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2008-00XXX**

Refund Factors (RF) continuing for twelve months from the effective date of each or until LG&E has discharged its refund obligations thereunder.

All Refund Factors have expired as of July 31, 2007, and because no new refunds have been received, there will be no Refund Factor in effect and applicable to gas service rendered for the period February 1, 2008 through April 30, 2008.

	<u>Sale Volumes</u>	<u>Transportation Volumes</u>
Refund Factor Effective November 1, 2007(a)	\$0.0000/Ccf	\$0.0000/Ccf

- (a) Please note that Louisville Gas and Electric Company's Tariff Sales Volumes receive both the commodity-related and demand-related portion of the Refund Factor. Transportation volumes under the Rate TS receive only the demand-related portion of the Refund Factor

LOUISVILLE GAS AND ELECTRIC**Gas Supply Clause: 2008-00xxx
Calculation of Performance Based Rate Recovery Component (PBRRC)**

The purpose of the PBRRC is to collect Louisville Gas and Electric Company's portion of the savings created under the gas supply cost PBR. Pursuant to the gas supply cost PBR mechanism approved in Case No. 2001-00117, the PBRRC established in Case No. 2007-00001, became applicable to gas service rendered on and after February 1, 2007 and will remain in effect until January 31, 2008, after which time a new adjustment level may be implemented. Therefore, as shown in the following table, the PBRRC amount which will become effective with gas service rendered on and after February 1, 2008, and will remain in effect until January 31, 2009, is \$0.00784 and \$0.00099 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00685/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00099/Ccf</u>	<u>\$0.00099/Ccf</u>
Total PBRRC	\$0.00784/Ccf	\$0.00099/Ccf

Please note that Louisville Gas and Electric Company's tariff sales volumes receive both the commodity-related and demand-related portion of the PBRRC. Transportation volumes under Rate TS receive only the demand-related portion of the PBRRC.

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2008-00XXX
Calculation of Performance Based Rate Recovery Component (PBRRC)
Effective February 1, 2008

	CSPBR Related to <u>Commodity</u>	CSPBR Related to <u>Demand</u>
Shareholder Portion of PBR	\$2,231,138	\$324,576
Expected Mcf Sales for the 12 month period beginning February 1, 2008	32,561,210	32,740,370
PBRRC factor per Mcf	\$0.0685	\$0.0099
PBRRC factor per Ccf	\$0.00685	\$0.00099

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2008-00XXX
Shareholder Portion of PBR Savings
PBR Year 10

Split between Demand (Fixed) and Commodity (Volumetric) Components
As Determined in LG&E's Fourth Quarterly PBR Filing

	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Company Share of PBR Savings or (Expenses) (CSPBR)	\$2,231,138	\$324,576	\$2,555,714

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
February 1, 2008 through April 30, 2008**

	RATE PER 100 CUBIC FEET				TOTAL
	CUSTOMER CHARGE (PER MONTH)	DISTRIBUTION COST COMPONENT	GAS SUPPLY COST COMPONENT (GSCC)	DSM COST RECOVERY COMPONENT	
RATE RGS - RESIDENTIAL CUSTOMER CHARGE ALL CCF	\$8.50	\$0.15470	\$0.85082	0.00736	\$1.01288
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$16.50				
FIRST 1000 CCF/MONTH		\$0.14968	\$0.85082	-0.00009	\$1.00041
OVER 1000 CCF/MONTH		\$0.09968	\$0.85082	-0.00009	\$0.95041
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.85082	-0.00009	\$1.00041
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$117.00				
FIRST 1000 CCF/MONTH		\$0.14968	\$0.85082	-0.00009	\$1.00041
OVER 1000 CCF/MONTH		\$0.09968	\$0.85082	-0.00009	\$0.95041
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.85082	-0.00009	\$1.00041
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$16.50				
FIRST 1000 CCF/MONTH		\$0.14968	\$0.85082	0.00000	\$1.00050
OVER 1000 CCF/MONTH		\$0.09968	\$0.85082	0.00000	\$0.95050
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.85082	0.00000	\$1.00050
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$117.00				
FIRST 1000 CCF/MONTH		\$0.14968	\$0.85082	0.00000	\$1.00050
OVER 1000 CCF/MONTH		\$0.09968	\$0.85082	0.00000	\$0.95050
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.85082	0.00000	\$1.00050
Rate AAGS	\$150.00	\$0.05252	\$0.85082	-0.00009	\$0.90325

EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM**

February 1, 2008 through April 30, 2008

	<u>RATE PER MCF</u>				<u>TOTAL</u>
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	
RATE TS					
RATE CGS - COMMERCIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.9678	-0.0090	\$2.4556
OVER 100 MCF/MONTH		\$0.9968	\$0.9678	-0.0090	\$1.9556
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9678	-0.0090	\$2.4556
RATE IGS - INDUSTRIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.9678	0.0000	\$2.4646
OVER 100 MCF/MONTH		\$0.9968	\$0.9678	0.0000	\$1.9646
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9678	0.0000	\$2.4646
Rate AAGS	\$90.00	\$0.5252	\$0.9678	-0.0090	\$1.4840

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

February 1, 2008 through April 30, 2008

Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
Distribution Charge / Mcf Delivered	\$0.4300

Ancillary Services:

Daily Demand Charge	\$0.2115
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3315
Monthly Demand Charge per Mcf of Reserved Balancing Service	\$6.4300
Monthly Balancing Charge per Mcf of Reserved Balancing Service	<u>\$3.6500</u>
	\$10.0800

Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
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Cash-Out Provision for Monthly Imbalances:

Where Usage is Greater than Transported Volume - Billing:

First 5% or less	100%
next 5%	110%
next 5%	120%
next 5%	130%
> than 20%	140%

Where Transported Volume is Greater than Usage - Purchase:

First 5% or less	100%
next 5%	90%
next 5%	80%
next 5%	70%
> than 20%	60%

* The Cash-Out Price for customer over-deliveries is the lowest mid-point price posted in "Gas Daily" for Dominion - South Point during the month; the Cash-Out Price for customer under-deliveries is the highest mid-point price posted in "Gas Daily" for Dominion - South Point during the month.

L G & E

Charges for Gas Transportation Services Provided Under Rate FT
(for Special Contract Customers)

February 1, 2008 through April 30, 2008

Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
Monthly Customer Charge	As Per Special Contract
Distribution Charge / Mcf Delivered	As Per Special Contract
Monthly Demand Charge/Mcf	As Per Special Contract

Ancillary Services:

Daily Demand Charge	\$0.2115
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3315

Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
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Cash-Out Provision for Monthly Imbalances:

Where Usage is Greater than Transported Volume - Billing:

First 5% or less	100%
next 5%	110%
next 5%	120%
next 5%	130%
> than 20%	140%

Where Transported Volume is Greater than Usage - Purchase:

First 5% or less	100%
next 5%	90%
next 5%	80%
next 5%	70%
> than 20%	60%

* The Cash-Out Price for customer over-deliveries is the lowest mid-point price posted in "Gas Daily" for Dominion - South Point during the month; the Cash-Out Price for customer under-deliveries is the highest mid-point price posted in "Gas Daily" for Dominion - South Point during the month.
